Automated Commercial Environment—Requirements Recommendation

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Requestor:	ITDS Sub-Committee
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Requirement

Identify, Approve, and Create Accounts and Establish Pre-Approval Processes

For Participating Federal Agencies to effectively enforce their mission on imports and exports in view of the exponential growth in international trade transactions, Participating Agencies should develop "account management" and "pre-review/pre-approval" methodologies.

These approaches frequently require a change to the business process of the agencies; however, successful execution is dependent upon information technology solutions that assist the agencies in:

- Identifying and stratifying the companies that import or export products of concern to that agency's mission

- Capturing, codifying, analyzing and maintaining the regulatory data to facilitate "account" information and "pre-approval" information to the agency

- Effective communications links between the companies and the compliance offices and units within the agencies

- Building risk management systems that trigger compliance checks, capture inspection or operational results, self-generate anomalies or suspicious patterns of activities, and assist in evaluating threats and potential compliance vulnerabilities.

The results of the account compliance and pre-approval program would determine the level of information required for cross-border movement and the degree of physical inspection required. To the extent practical, detailed shipment information would be provided after actual release of the shipment and, if feasible, on an aggregated weekly or monthly basis to the concerned agencies.

Business Need

An Account Management approach assists Federal agencies rely less on transaction processing or shipment-by-shipment inspections at the many border crossings which is becoming increasingly difficult to achieve with limited staffing.   Instead the agency can focus its resources on the largest companies that import or export most or the products of concern to that agency.   The agency can dedicate resources to ensure that the company has established processes and quality controls in place to promote maximum compliance with the agency's requirements. This builds a predictive approach to compliance and encourages companies to improve compliance processes with the advice of the agency insights.

A Pre-approval approach builds a cooperative compliance program with companies and is designed to determine that an agency's compliance requirements are fully met prior to the actual physical importation or exportation of a product. The company submits sufficient informational and samples of products, if needed, to the agency for their review prior to the physical movement of goods. The company then identifies the product and/or pre-approval code on their import documents to report transactions to the agency. The agency will perform periodic inspections or statistically random checks of actual shipments to ensure that the companies are conforming to and complying with the requirements.

The importing and exporting companies would be able to provide minimum necessary transaction information for individual shipments, and be able to access compliance information that would assist them in complying with agency requirements.

Technical Need

Technical requirements include data dictionaries, communications between companies and agencies, risk management and targeting systems, analytical tools, data warehouses, etc.

Benefits

The agencies would benefit from improved compliance and a systematic, documented process to measure compliance. The companies would benefit from more predictable processing of shipments at the border, less data required at time of border crossing, and improved cycle times for actual shipment movement.

Risks

There may be resistance to changing the business processes within the agencies involved, to accepting less data at time of shipment, and to reduce inspections.

Related Subcommittees

Accounts , Entry, and Multimodal

Priority: Critical X ☐   **High** ☐   **Medium** ☐   **Low** ☐

Customs Use Only

Approved ☐   Not Approved ☐   Further Evaluation Required ☐